

STATE ALLOCATION BOARD

1130 K Street, Suite 400
Sacramento, CA 95814
<http://www.dgs.ca.gov/opsc>



March 7, 2003
IMPLEMENTATION COMMITTEE
MINUTES
U.S. Bank Plaza
Sacramento, CA

Members Present

Bruce Hancock, SAB
Lori Morgan, OPSC
Jim Bush, CDE
Dave Doomey, CASH
Gary Gibbs, CBIA
John Palmer, CASBO
Mark DeMan, LAUSD (Alternate for Beth Hamby)
Bill Cornelison, ACS
Dennis Dunston, CEFPI
Walt Schaff, DOF (Morning Only)
Lenin Del Castillo, DOF
Constantine Barranoff, SSD
Dave Walrath, SSDA (Temporary Alternate for SSDA)

Members Absent

Jay Hansen, SBCTC
Brian Wiese, AIA
Dennis Bellet, DSA

The meeting on March 7, 2003 was called to order at 9:35 a.m.; there were 13 members present and 3 absent. The alternate representatives as noted above were introduced. The Chair announced that Paul Hewitt resigned from the SAB Implementation Committee as the Small School District Association (SSDA) representative. Dave Walrath attended the March 7th Committee meeting to represent the SSDA; more information regarding the SSDA representative will follow. The minutes from the February 7, 2003 meeting were accepted.

The Chair reported on the status of the Classroom Loading: Continuation High School and Community Schools Report, and that an item on this issue would be presented at the April 2003 Committee meeting.

AB 1506 (WESSON) – GRANT INCREASE

Presentations of AB 1506 labor compliance program (LCP) issues have occurred at the November and December 2002, as well as the January, February and March 2003 Committee meetings. Discussions regarding the grant increases due to LCP's occurred primarily at the February and March Committee meetings. A summary of the March Committee discussion items is as follows:

- LCP costs are comprised of three areas: Initiation (start-up), monitoring and enforcement. Based on cost information received from Ernie Silva, Consultant for the California Community College Coalition; Jay Bell, Parsons Brinckerhoff Construction Service, Inc.; Ted Rozzi, Corona-Norco Unified School District; and Chad Cheatham, CQC Enterprises estimates for new construction and modernization were presented (see Attachments).
- Suggestions were made to raise the minimum cost beyond the current proposed \$10,000 with an emphasis on the needs of small school districts or one-project districts. A suggestion was made to model the percentage factor on the Community College high percentage factor rather than the low. Walt Schaff of the Department of Finance shared DOF's concern that the requirements of the law regarding prevailing wage had not changed and that the AB 1506 grant increases should be proportionate to only the new duties required of school districts.
- It is anticipated that the vast majority of projects will not have any hearing and legal defense costs. It is likely that after a district holds an informal conference to hear any possible mitigating circumstances, the district would forward violations to the DIR for the hearing process. Members and the audience again questioned the need to capture any amount into the per-pupil amount for these unlikely costs. At a previous Committee meeting, a Committee member suggested the possibility of insurance or bonding for these legal enforcement costs. Staff reported that to date, a cost for these services has not been attainable.

AB 1506 (WESSON) – GRANT INCREASE (cont.)

- The OPSC will proceed with developing a mechanism to process additional apportionments to those projects that qualify for the grant increase, and with developing an audit procedure so districts can set up their projects to properly account for items that staff will want to see at the project audit.
- A question was raised if Prop 47 funds could be reserved to ensure funding availability for the increase for those projects subject to AB 1506.
- Agreement was made that a review of the data will occur after approximately a year. If any change is warranted, it would be prospective and the past apportionments would not be readdressed.

Discussion regarding per-pupil grant adjustments to address the LCP costs will return to the April 2003 Implementation Committee meeting. Presuming regulations could be presented on an emergency basis, these proposed regulations must be presented to the SAB no later than the May 2003 SAB meeting to meet the time requirements set in law. It is the OPSC's goal to present the proposed regulations to the SAB as soon as possible.

USE OF NEW CONSTRUCTION GRANTS

In response to unequivocal and longstanding concerns of the SAB, the Committee discussed "Use of Grants" in October and November 2002 as well as in January 2003; however, consensus was not reached. Proposed emergency regulations were presented to the SAB at its January 2003 meeting. The SAB delayed action in January on adopting any long-term "Use of Grants" regulations and approved provisions for those districts that had planned projects based on the "Use of Grants" regulations if certain criteria are met as follows:

- The project plans were accepted by the Division of the State Architect prior to January 23, 2003.
- The project does not exceed 135 percent of the capacity of the project.
- The district does not utilize multi-track year-round education (MTYRE) as a method to house its pupils used for the grant.

The Board requested staff to return the "Use of Grants" item to the Committee to develop further "Use of Grants" regulation recommendations. A summary of the March Committee discussion items is as follows:

- Many comments were shared that the proposed acceptable housing plans were too limiting and that MTYRE (or at least freezing MTYRE levels) and higher district classroom loading standards should be included. Staff shared its concern that the SAB had addressed the MTYRE housing plan issue at the January 2003 SAB.
- The proposal includes stand-alone projects and projects that include no more than eight classrooms that include a multipurpose, gymnasium and/or library projects, where none existed previously or is inadequate. Must be an existing school site that was not built under the SFP. Districts can apply when the existing school site that was not built under the SFP but had later addition(s) under the SFP, provided that the total number of classrooms added through the SFP does not exceed eight (including the current project).
- When calculating the adequacy of an existing multipurpose, gymnasium, or library, utilize the existing capacity plus the Net School building Capacity of the current proposed project.
- The proposal includes "grandfathering" provisions as follows:
 - Permit requests under Regulation Section 1859.77.2, as amended by the SAB on January 22, 2003, as long as the project plans and specifications were accepted by the DSA prior to January 23, 2003.
 - Include provisions to permit "Use of Grants" requests for excess pupil grants where clear language was included in the local bond that specifically identified the project that the district planned based on the "Use of Grants" regulations in place at that time of the bond election.

Discussion regarding the Use of Grants will return to the April 2003 Implementation Committee meeting. It is anticipated that staff will present proposed regulations to the SAB at its April or May 2003 meeting as emergency regulations.

ADJOURNMENT AND NEXT MEETING

The meeting adjourned at approximately 3:30 pm. The next Implementation Committee meeting will be on Friday, April 4, 2003 at the US Bank Plaza in Sacramento, CA.

ATTACHMENT
State Allocation Board Implementation Committee
March 7, 2003

Total Project increase for AB 1506

Total Project Cost	factor	low	max	State at 50/50	State at 80/20	State at 60/40
\$1 to \$1, 999,999	1.6	\$10,000	\$32,000	16,000	\$25,600	\$19,200
\$2m to 2,999,999	1.15	\$23,000	\$34,500	17,250	\$27,600	\$20,700
\$3m to \$3,999,999	0.9	\$27,000	\$36,000	18,000	\$28,800	\$21,600
\$4m to 7,999,999	0.61	\$24,400	\$48,800	24,400	\$39,040	\$29,280
\$8m to 9,999,999	0.55	\$44,000	\$55,000	27,500	\$44,000	\$33,000
\$10m to 14,999,999	0.52	\$52,000	\$78,000	39,000	\$62,400	\$46,800
\$15m to \$19,999,999	0.5	\$75,000	\$100,000	50,000	\$80,000	\$60,000
Over \$20m to 100m	0.45	\$90,000	\$450,000	225,000	\$360,000	\$270,000
over \$100 million	0.4					

Notes:

1. The calculation in any category shall not result in an amount less than the maximum in the preceeding level.
2. The minimum for any project shall be \$10,000

ATTACHMENT
State Allocation Board Implementation Committee
March 7, 2003

AB 1506 Grant Adjustments Using Community College Scale

Grade Level	Classrooms	Grants	Total Project Cost	Const Cost (est)**	1506 Amt	% of Total Project Cost	Per Pupil Adjustment	State	Dist
New Construction 50/50									
sdh-hs	2	11	\$488,812	\$391,050	\$7,782	1.59	\$707.44	\$353.72	\$353.72
hs	4	51	\$1,030,964	\$824,771	\$16,413	1.59	\$321.82	\$160.91	\$160.91
elem	8	200	\$2,592,864	\$2,074,291	\$29,870	1.15	\$149.35	\$74.67	\$74.67
Cont hs	13	108	\$2,801,568	\$2,241,254	\$32,274	1.15	\$298.83	\$149.42	\$149.42
hs	5	135	\$3,864,028	\$3,091,222	\$30,912	0.80	\$228.98	\$114.49	\$114.49
elem	14	510	\$7,537,828	\$6,030,262	\$45,830	0.61	\$89.86	\$44.93	\$44.93
elem	27	675	\$10,029,674	\$8,023,739	\$55,364	0.55	\$82.02	\$41.01	\$41.01
elem	35	987	\$13,636,864	\$10,909,491	\$74,185	0.54	\$75.16	\$37.58	\$37.58
elem	53	1365	\$22,204,060	\$17,763,248	\$111,908	0.50	\$81.98	\$40.99	\$40.99
hs	84	2948	\$113,694,407	\$90,955,526	\$518,446	0.46	\$175.86	\$87.93	\$87.93
Modernization 80/20									
elem		50	\$241,788	\$193,430	\$3,849	1.59	\$76.99	\$61.59	\$15.40
elem		150	\$537,444	\$429,955	\$8,556	1.59	\$57.04	\$45.63	\$11.41
elem		123	\$641,098	\$512,878	\$10,206	1.59	\$82.98	\$66.38	\$16.60
elem		250	\$795,354	\$636,283	\$12,662	1.59	\$50.65	\$40.52	\$10.13
elem		202	\$835,489	\$668,391	\$13,301	1.59	\$65.85	\$52.68	\$13.17
elem		450	\$1,542,831	\$1,234,265	\$23,821	1.54	\$52.94	\$42.35	\$10.59
hs		578	\$2,546,566	\$2,037,253	\$29,336	1.15	\$50.76	\$40.60	\$10.15
elem		579	\$2,621,607	\$2,097,286	\$30,201	1.15	\$52.16	\$41.73	\$10.43
jhs		868	\$3,087,558	\$2,470,046	\$35,569	1.15	\$40.98	\$32.78	\$8.20
hs		1255	\$7,527,532	\$6,022,026	\$43,359	0.58	\$34.55	\$27.64	\$6.91
Modernization 60/40									
elem		50	\$241,788	\$193,430	\$3,849	1.59	\$76.99	\$46.19	\$30.79
elem		150	\$537,444	\$429,955	\$8,556	1.59	\$57.04	\$34.22	\$22.82
elem		123	\$641,098	\$512,878	\$10,206	1.59	\$82.98	\$49.79	\$33.19
elem		250	\$795,354	\$636,283	\$12,662	1.59	\$50.65	\$30.39	\$20.26
elem		202	\$835,489	\$668,391	\$13,301	1.59	\$65.85	\$39.51	\$26.34
elem		450	\$1,542,831	\$1,234,265	\$23,821	1.54	\$52.94	\$31.76	\$21.17
hs		578	\$2,546,566	\$2,037,253	\$29,336	1.15	\$50.76	\$30.45	\$20.30
elem		579	\$2,621,607	\$2,097,286	\$30,201	1.15	\$52.16	\$31.30	\$20.86
jhs		868	\$3,087,558	\$2,470,046	\$35,569	1.15	\$40.98	\$24.59	\$16.39
hs		1255	\$7,527,532	\$6,022,026	\$43,359	0.58	\$34.55	\$20.73	\$13.82

** Assumed to be 80% of the Total Project Cost

NEW CONSTRUCTION PROJECTS

Using Estimate Number 1								
Project	Cost	Sq. Ft.	Duration	Capacity	Estimate 1	Per Pupil	State Share	% of const cost
HS Addition	\$16,500,000	63,000	18 months	540	\$82,875	\$153.47	\$76.74	0.50%
New Elem	\$15,000,000	65,000	16 months	900	\$75,225	\$83.58	\$41.79	0.50%
New High School	\$17,000,000	85,000	18 months	1,200	\$85,000	\$70.83	\$35.42	0.50%
New Middle School	\$25,000,000	150,000	35 months	1,500	\$102,000	\$68.00	\$34.00	0.41%
New High School	\$75,000,000	325,000	37 months	3,500	\$297,500	\$85.00	\$42.50	0.40%

Using Estimate Number 2								
Project	Cost	Sq. Ft.	Duration	Capacity	Estimate 2	Per Pupil		
HS Addition	\$16,500,000	63,000	18 months	540	\$60,320	\$111.70	\$55.85	0.37%
New Elem	\$15,000,000	65,000	16 months	900	\$55,840	\$62.04	\$31.02	0.37%
New High School	\$17,000,000	85,000	18 months	1,200	\$60,320	\$50.27	\$25.13	0.35%
New Middle School	\$25,000,000	150,000	35 months	1,500	\$137,600	\$91.73	\$45.87	0.55%
New High School	\$75,000,000	325,000	37 months	3,500	\$351,520	\$100.43	\$50.22	0.47%

Estimate No. 1 Written estimate using 'not to exceed' figures. The basic hourly rate used was \$85. The firm also proposed a 'start up' fee of 0.15% per project. This was not added in to the estimates because used hours, if any, were to be applied to the fee. Thus, there may be an additional amount above the not to exceed amount in some cases.

Estimate No. 2 For the first \$10 million in contract cost, and for each additional \$10 million of cost: 8 hr of inspection at \$80 and 8 hrs of accounting at \$60. The consultant also advised a 'start up' cost of from \$10 to \$20 thousand per project. \$20 thousand was added to each of the estimates above.

MODERNIZATION PROJECTS

Using Estimate Number 1								
Project	Cost	Sq. Ft.	Duration	Capacity	Estimate 1	Per Pupil	State Share	% of const cost
A* Intermediate	\$5,600,000	72,408		992	\$39,747	\$40.07	\$24.04	0.71%
BV High	\$2,000,000	28,199		405	\$15,479	\$38.22	\$22.93	0.77%
C High	\$1,200,000	21,189		237	\$11,631	\$49.08	\$29.45	0.97%
H Elem	\$1,900,000	24,477		531	\$13,436	\$25.30	\$15.18	0.71%
R Elem	\$2,400,000	29,784		475	\$16,349	\$34.42	\$20.65	0.68%
S Elem	\$2,400,000	35,310		744	\$19,383	\$26.05	\$15.63	0.81%
Totals	\$15,500,000	211,367		3,384	\$116,025	\$34.29	\$20.57	0.75%

Using Estimate Number 2								
Project	Cost	Sq. Ft.	Duration	Capacity	Estimate 2	Per Pupil	State Share	% of const cost
A* Intermediate	\$5,600,000	72,408		992	\$50,320	\$50.73	\$30.44	0.90%
BV High	\$2,000,000	28,199		405	\$23,440	\$57.88	\$34.73	1.17%
C High	\$1,200,000	21,189		237	\$23,440	\$98.90	\$59.34	1.95%
H Elem	\$1,900,000	24,477		531	\$23,440	\$44.14	\$26.49	1.23%
R Elem	\$2,400,000	29,784		475	\$30,160	\$63.49	\$38.10	1.26%
S Elem	\$2,400,000	35,310		744	\$30,160	\$40.54	\$24.32	1.26%
Totals	\$15,500,000	211,367		3,384	\$180,960	\$53.48	\$32.09	1.17%

Estimate No. 1 Written estimate using 'not to exceed' figures. The basic hourly rate used was \$85. The firm also proposed a 'start up' fee of 0.15% per project. This was not added in to the estimates because used hours, if any, were to be applied to the fee. Thus, there may be an additional amount above the not to exceed amount in some cases. In this estimate, the firm gave a quote for all the projects as a single contract. This quote was prorated here for the purpose of the discussion.

Estimate No. 2 For the first \$10 million in contract cost, and for each additional \$10 million of cost: 8 hr of inspection at \$80 and 8 hrs of accounting at \$60. The consultant also advised a 'start up' cost of from \$10 to \$20 thousand per project. \$10 thousand was added to each of the estimates above.

ATTACHMENT
Vista Est.
State Allocation Board Implementation Committee
March 7, 2003

LABOR COMPLIANCE ESTIMATES #3

NEW CONSTRUCTION PROJECTS

Using Estimate Number 3								
Project	Cost	Sq. Ft.	Duration	Capacity	Estimate 1	Per Pupil	State Share	% of const cost
HS	\$11,000,000		24		\$41,250		\$0.00	0.38%
Oak Elem	\$9,800,000		15		\$25,212		\$0.00	0.26%
Marilyn Elem	\$9,800,000		15		\$25,608		\$0.00	0.26%
Totals	\$30,600,000	0		0	\$92,070		\$0.00	0.30%

MODERNIZATION PROJECTS

Using Estimate Number 1								
Project	Cost	Sq. Ft.	Duration	Capacity	Estimate 1	Per Pupil	State Share	% of const cost
Acacemy	\$100,000		4		\$6,512		\$0.00	6.51%
Elem	\$1,100,000		4		\$6,512		\$0.00	0.59%
Elem	\$1,100,000		4		\$6,512		\$0.00	0.59%
Elem	\$700,000		4		\$6,512		\$0.00	0.93%
Casita Center	\$2,500,000		12		\$20,031		\$0.00	0.80%
Lincoln Middle	\$1,100,000		4		\$6,512		\$0.00	0.59%
** Ave	\$1,000,000		12		\$20,031		\$0.00	2.00%
Totals	\$7,600,000	0		0	\$116,025		\$0.00	1.53%

Fee Schedule for California Community Colleges

Worksheet for estimating the cost per project if your district/agency uses WCS-FCCC for LCP phase II (Implementation/monitoring)

Insert your construction budget below

Estimated fee for your project

Project Construction Cost	Fee % Low**	Fee % High**	Construction Budget	Fee(based on Fee% low)***
Fee range for less than \$1 mil project	1.99%	2.34%	\$500,000	\$9,950
Fee range for \$1 to \$2 mil project	1.93%	2.27%	\$ -	\$ -
Fee range for \$2 to \$3 mil project	1.44%	1.70%	\$ -	\$ -
Fee range for \$3 to \$4 mil project	1.00%	1.18%	\$ -	\$ -
Fee range for \$4 to \$5 mil project	0.86%	1.01%	\$ -	\$ -
Fee range for \$5 to \$6 mil project	0.76%	0.90%	\$ -	\$ -
Fee range for \$6 to \$7 mil project	0.72%	0.85%	\$ -	\$ -
Fee range for \$7 to \$8 mil project	0.71%	0.84%	\$ -	\$ -
Fee range for \$8 to \$9 mil project	0.69%	0.81%	\$ -	\$ -
Fee range for \$9 to \$10 mil project	0.68%	0.81%	\$ -	\$ -
Fee range for \$10 to \$11 mil project	0.68%	0.80%	\$ -	\$ -
Fee range for \$11 to \$12 mil project	0.68%	0.80%	\$ -	\$ -
Fee range for \$12 to \$13 mil project	0.67%	0.78%	\$ -	\$ -
Fee range for \$13 to \$14 mil project	0.65%	0.77%	\$ -	\$ -
Fee range for \$14 to \$15 mil project	0.64%	0.76%	\$ -	\$ -
Fee range for \$15 to \$16 mil project	0.64%	0.75%	\$ -	\$ -
Fee range for \$16 to \$17 mil project	0.63%	0.74%	\$ -	\$ -
Fee range for \$17 to \$18 mil project	0.62%	0.73%	\$ -	\$ -
Fee range for \$18 to \$19 mil project	0.62%	0.73%	\$ -	\$ -
Fee range for \$19 to \$20 mil project	0.61%	0.72%	\$ -	\$ -
Fee range for \$20 to \$22 mil project	0.61%	0.71%	\$ -	\$ -
Fee range for projects \$22 mil and over	0.57%	0.64%	\$ -	\$ -

*Please note for projects less than \$1 mil, project fee shall be a minimum of \$1,000 per month for the life of the project.

**Please note all Enforcement services are not included in this percentage fee and shall be invoiced on an hourly basis, as the enforcement is an intangible service and can not be quantified FCCC will be working with additional 3rd party vendors to guarantee quality and pricing for these services as well.

***Please note, the fee % low is based off the assumption that FCCC-WCS has 5 projects for Phase II per 6 region in California. If this criteria is not met, the fee % will be between fee % low and fee % high. We anticipate that in all likelihood, we will meet this requirement and thus will be able to offer the lower fee.